



**Auditor of State
Betty Montgomery**

HARRISON TOWNSHIP
VAN WERT COUNTY

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**Auditor of State
Betty Montgomery**

Harrison Township
Van Wert County
12975 Schumm Road
Ohio City, OH 45874

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

July 21, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Harrison Township
Van Wert County
12975 Schumm Road
Ohio City, OH 45874

To the Board of Trustees:

We have audited the accompanying financial statements of Harrison Township, Van Wert County, (the Township), as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Township to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Township has elected not to reformat its statements. Since this Township does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of July 21, 2005, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Township as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Township to include Management's Discussion and Analysis for the year ended December 31, 2004. The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2005, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

July 21, 2005

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$11,821	\$46,686	\$58,507
Intergovernmental	31,894	91,835	123,729
Licenses, Permits, and Fees	344		344
Earnings on Investments	1,164	46	1,210
Other Revenue	57		57
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	45,280	138,567	183,847
Cash Disbursements:			
Current:			
General Government	52,871	1,134	54,005
Public Safety	2,770	27,817	30,587
Public Works	1,679	92,553	94,232
Health	13,518		13,518
Debt Service:			
Redemption of Principal	11,407		11,407
Interest and Fiscal Charges	1,704		1,704
Capital Outlay	3,310		3,310
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	87,259	121,504	208,763
Total Receipts Over/(Under) Disbursements	(41,979)	17,063	(24,916)
Other Financing Receipts:			
Other Sources	40		40
	<hr/>	<hr/>	<hr/>
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(41,939)	17,063	(24,876)
Fund Cash Balances, January 1	105,125	60,421	165,546
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$63,186</u>	<u>\$77,484</u>	<u>\$140,670</u>

The notes to the financial statements are an integral part of this statement.

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Local Taxes	\$11,762	\$46,388	\$58,150
Intergovernmental	78,561	79,690	158,251
Licenses, Permits, and Fees		750	750
Earnings on Investments	1,935	270	2,205
Other Revenue	2,100		2,100
	<u>94,358</u>	<u>127,098</u>	<u>221,456</u>
Total Cash Receipts			
	<u>94,358</u>	<u>127,098</u>	<u>221,456</u>
Cash Disbursements:			
Current:			
General Government	50,593	1,140	51,733
Public Safety	472	23,700	24,172
Public Works	931	92,596	93,527
Health	10,256	1,082	11,338
Debt Service:			
Redemption of Principal		5,586	5,586
Interest and Fiscal Charges		970	970
Capital Outlay	74,540	19,474	94,014
	<u>136,792</u>	<u>144,548</u>	<u>281,340</u>
Total Cash Disbursements			
	<u>136,792</u>	<u>144,548</u>	<u>281,340</u>
Total Receipts (Under) Disbursements	<u>(42,434)</u>	<u>(17,450)</u>	<u>(59,884)</u>
Other Financing Receipts:			
Proceeds from Sale of Public Debt:			
Sale of Bonds	60,000		60,000
Sale of Fixed Assets	11,683		11,683
	<u>71,683</u>		<u>71,683</u>
Total Other Financing Receipts			
	<u>71,683</u>		<u>71,683</u>
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	29,249	(17,450)	11,799
Fund Cash Balances, January 1	<u>75,876</u>	<u>77,871</u>	<u>153,747</u>
Fund Cash Balances, December 31	<u><u>\$105,125</u></u>	<u><u>\$60,421</u></u>	<u><u>\$165,546</u></u>

The notes to the financial statements are an integral part of this statement.

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Harrison Township, Van Wert County, (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, fire protection and emergency medical services. The Township contracts with the Village of Wren and the Village of Convoy to provide fire and ambulance services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or disbursements investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

Gasoline Tax Fund - This fund receives gasoline tax money to pay for constructing, maintaining, and repairing Township roads.

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Levy Fund – This fund receives property tax money to pay for fire and EMS services.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2004 and 2003 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	\$80,555	\$106,373
Certificates of deposit	60,115	59,173
Total deposits	<u>\$140,670</u>	<u>\$165,546</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2004 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$42,045	\$45,320	\$3,275
Special Revenue	140,105	138,567	(1,538)
Total	\$182,150	\$183,887	\$1,737

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$150,024	\$87,259	\$62,765
Special Revenue	197,577	121,504	76,073
Total	\$347,601	\$208,763	\$138,838

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$97,854	\$166,041	\$68,187
Special Revenue	147,654	127,098	(20,556)
Total	\$245,508	\$293,139	\$47,631

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$134,034	\$136,792	(\$2,758)
Special Revenue	205,129	144,548	60,581
Total	\$339,163	\$281,340	\$57,823

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. DEBT

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
\$60,000 Equipment Acquisition Bond	\$43,007	3.25%

The Township issued a general obligation bond on June 19, 2003 to finance the purchase of a new dump truck and plowing equipment for Township road maintenance.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Equipment Acquisition Bond
2005	\$13,098
2006	13,098
2007	13,098
2008	6,549
Total	\$45,844

6. RETIREMENT SYSTEMS

The Township's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Township contributed an amount equaling 13.55 percent of participants' gross salaries. The Township has paid all contributions required through December 31, 2004.

7. RISK MANAGEMENT

Risk Pool Membership

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty coverage for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

OTARMA retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. OTARMA pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Townships can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

7. RISK MANAGEMENT (Continued)

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

OTARMA retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective township.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31.

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,687,203	\$27,792,223
Liabilities	(13,640,962)	(11,791,300)
Retained earnings	<u>\$17,046,241</u>	<u>\$16,000,923</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$7,799,073	\$6,791,060
Liabilities	(753,906)	(750,956)
Retained earnings	<u>\$7,045,167</u>	<u>\$6,040,104</u>

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Harrison Township
Van Wert County
12975 Schumm Road
Ohio City, OH 45874

To the Board of Trustees:

We have audited the financial statements of Harrison Township, Van Wert County, (the Township), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated July 21, 2005, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management date July 21, 2005, we reported other matters involving internal controls over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under Government Audit Standards which are described in the accompanying schedule of findings as items 2004-001 to 2004-004. In a separate letter to the Township's management dated July 21, 2005, we reported other matters related to noncompliance we deemed immaterial.

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Harrison Township
Van Wert County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 21, 2005

**HARRISON TOWNSHIP
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2004 AND 2003**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2004-001

Finding for Recovery - Repaid While Under Audit

Ohio Rev. Code Section 505.60 allows the township to procure and pay all or any part of the cost of insurance policies for certain benefits as outlined in the Revised Code for township employees and officers.

The Township paid the 2004 premium for an intensive care and cancer policy for Lloyd Etzler. Lloyd Etzler was a township trustee, however, his term expired on 12/31/03. The amount of the premiums paid was \$598.32.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Lloyd Etzler and John Voltz, Clerk, and his bonding company OTARMA in the amount of \$598.32 in favor of the General Fund.

Payment was made to the Township on July 27, 2005, in the amount of \$598.32 to reimburse the Township for the 2004 insurance premiums.

FINDING NUMBER 2004-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certificate should be considered null and void. If no certificate is issued at the time the contract or order is entered into, the fiscal officer may later certify that there were funds properly appropriated and in the treasury or in the process of collection and such funds are free from previous encumbrance both at the time the contract or order was entered into and at the time of payment. After certifying this, the fiscal officer may proceed to pay for such order or contract. If the amount involved is over \$3,000, the taxing authority must approve of such payment within 30 days of the date of the fiscal officer's certification.

Fourteen percent of purchase orders tested were not properly certified during the audit period. Then and now certificates were not applied to those purchase orders.

The Township should review Ohio Rev. Code Section 5705.41(D) and implement procedures for certification of funds.

FINDING NUMBER 2004-003

Noncompliance Citation

Ohio Rev. Code Section 5705.10 requires all revenue derived from a special levy is to be credited to a special fund for the purpose for which the levy was made. The Fire Levy Fund was established to account for the Fire Protection for the Township per the tax levy. The Road and Bridge fund was established to account for a special levy within the ten mill limitation in accordance with Ohio Revised Code Section 5705.06(F). The Motor Vehicle License Tax and the Permissive Motor Vehicle License Tax funds were established to account for the Township's share of monies levied under Ohio Rev. Code Sections 4504.15 and 4504.16 by the County or for monies levied under Ohio Rev. Code Section 4504.18 by the Township.

During 2004, the Township received \$3,568 in Homestead and Rollback revenue of which \$1,265 was to be distributed to the Fire Fund and \$1,589 was to be distributed to the Road and Bridge Fund. During 2003, the Township received \$3,612 in Homestead and Rollback revenue of which \$1,284 was to be distributed to the Fire Fund and \$1,615 was to be distributed to the Road and Bridge Fund. However, in both years, the revenue was posted to the General Fund rather than distributed to both the Fire Fund and the Road and Bridge Fund. Furthermore, during 2003, the Township posted Motor Vehicle License tax revenue to the Permissive Motor Vehicle License Tax Fund in the amount of \$1,613 and posted \$175 of Permissive revenues to the Motor Vehicle License Tax Fund requiring a net adjustment from the Permissive to the Motor Vehicle Fund of \$1,438. During 2004, the Township posted \$205 of Permissive tax revenues to the Motor Vehicle License Tax Fund. The Township has agreed to and posted the adjustment and the adjustment is reflected in the accompanying financial statements.

The Township should monitor the receipt and expenditure of monies into various funds and refer to the Township chart of accounts when there is a question of appropriate fund or account coding.

FINDING NUMBER 2004-004

Noncompliance Citation

Ohio Rev. Code Section 507.04 states the township clerk shall keep an accurate record of the proceedings of the board of township trustees at all of its meetings, and of all its accounts and transactions. The Township utilizes the Uniform Accounting Network (UAN) System to account for its transactions. The UAN System includes a detailed chart of accounts for coding of receipt and expenditure transactions.

50% of expenditures tested were not appropriately coded in accordance with the UAN chart of accounts. The Township has agreed to reclassification of these expenditures and the reclassifications are reflected in the accompanying financial statements.

The Township clerk should review the chart of accounts for the UAN system and appropriately code each transaction.

HARRISON TOWNSHIP
VAN WERT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2002-40281-001	ORC Sec. 5705.10 – Numerous posting errors	No	See 2004-003. Repeated for incorrect revenue posting.



**Auditor of State
Betty Montgomery**

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HARRISON TOWNSHIP

VAN WERT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 13, 2005**